



California Public Utilities Commission Committee on Finance and Administration



Report on Strategic Directive 08 — Administration

August 14, 2019

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Administrative Services



Strategic Directive 08

Administration

The CPUC responsibly administers the human, financial, and information resources entrusted to it. Within its jurisdictional authority, the CPUC will:

1. Perform comprehensive workforce and succession planning.
2. Advance agency-wide recruiting, hiring, and performance management in an efficient and timely manner.
3. Provide relevant and practical training and mentoring to staff that supports the CPUC's core values and staff's job duties.
4. Maximize efficiency and effectiveness of the agency where possible.
5. Protect confidential, sensitive, or personally identifiable information.
6. Use modern technology to help CPUC employees perform their jobs effectively.
7. Establish, maintain, and test business continuity plans for operational interruptions or emergencies.
8. Ensure timely and effective contracting for outside services.
9. Be a prudent steward of public funds.





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Comprehensive Work Force and Succession Planning

- A workforce and succession plan has been approved by CalHR in 2018, reviewed annually, committed to update in 2020.
- HR management attends workforce and succession planning training.
- Elements of the plan include the following:
 - Targeted recruitment and outreach.
 - Career counseling program.
 - Training Catalog.





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2) Agency-wide Recruiting, Hiring, and Performance Management

- Recruiting and Hiring
 - Outreach
 - LinkedIn will be added to recruitment tools in 2019.
 - Increased Efficiencies
 - The exam plan is published and has transitioned to the CalHR system.
 - Automated Request for Personnel Action (RPA) process is under development using SimplyGOV (completion date 9/30/2019).
 - Improved Customer Support
 - Exploring the expansion of specific exams to support regionalized hiring throughout the state.
 - Training
 - HR Liaison training is being delivered.
 - Manager training is being developed.
- Performance Management
 - HR Supervisors noticed of due dates for probation reports, merit salary increases and performance appraisals.





Vacant Position Status

	ADMIN	ALJ	COMM	CPED	ENERGY	EXEC	IT	LEGAL	PUBADV	OSA	SED	WATER	Total
Authorized Positions	111.5	92.75	75	193	164	157	83	89.5	165	10	105.5	21	1267.3
Vacant	16	6.25	2	25	13.5	36	13	13.5	25	2	19.5	2	173.75
In Process Before Vacant	0	0	0	0	0	0	0	0	0	0	0	0	0
% June Vacancy	14%	7%	3%	13%	8%	23%	16%	20%	15%	20%	18%	10%	14%
% May Vacancy	19%	16%	9%	15%	8%	30%	28%	15%	15%	22%	16%	10%	17%
Change in % of Vacancy	5%	9%	6%	2%	0%	7%	12%	-5%	0%	2%	-2%	0%	3.00%

- Overall the vacancy rate went down 3%.





Average Days to Hire



Average days to hire has declined from 159 to 102.

	2018	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Avg days to hire	159	112	144	128	155	110	102





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Training

Training for Staff Development and Compliance

- **CPUC STAFF**
 - Unlawful Harassment Prevention, Diversity and Anti-Bias
 - Defensive Driving
 - Ethics
 - CalHR Training Courses
 - LinkedIn Learning (on-demand)
- **NEW STAFF**
 - CPUC Onboarding Program; six-month cohort providing organizational and administrative overview
- **SUPERVISORS AND MANAGERS**
 - CalHR Supervisor and Manager Leadership Development
 - Mandatory Supervisory Training
 - Crucial Conversations.
 - Legal Contract for Employee Relations Consortia
- **ROLE-SPECIFIC TRAININGS**
 - Timekeeper training
 - HR C&P Analyst Training
 - HR Liaison Training





Training

CPUC Onboarding Program

NERDS

New Employee Required Documents Session

- On-demand e-Guide with in-person processing
- Frequency: 1 (on first day)
- Duration: 1 hr.

NERDS is the required-documentation processing session.

1st day of employment.

NEO

New Employee Orientation

- In-Person/Video Tele-Conference (VTC)
- Monthly
- 3 hours

NEO welcomes and orients new staff to the Commission, providing key information

1st 3-months of employment.

CPUC Introductory Series

- In-person/ Video Tele-Conference (VTC)
- 7 subject sessions per cohort
- Frequency: 2 cohorts per year
- Duration: 2 hrs. per session/14 hrs.

Commission mission-, industry-, legislative-, legal-, and functional-specific course topics led by CPUC SMEs and senior leadership.





GARE

Government Alliance on Race and Equity (GARE) Capitol Cohort

- Staff from HR recently attended two learning sessions with the current Capitol Cohort.
- CPUC will participate in the upcoming 2020 GARE Capitol Cohort.





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4) Maximize Efficiency and Effectiveness of the Agency

- Policies are being reviewed and updated.
 - To establish consistent expectations and performance measures.
- Respond to independent evaluations by Internal Audits to improve operations.
- External audits.
 - California Department of Technology (CDT) security audit on-going, CalHR compliance audit in Sept. 2019, Dept. of Military audit of IT in 2020.
- Develop, maintain, and update IT systems to support CPUC programs and administrative functions.
 - KPMG is contracted to review all IT systems and needs.





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5) Protect Confidential, Sensitive, or Personally Identifiable Information

- File transfer via FTP IT encrypts data with Accellion Kitemworks.
- IT deployed Homeland Security approved Pretty Good Privacy (PGP) for file share encryption with restricted access.
- IT implemented the Symantec Data Loss Prevention (DLP) solution.
- IT deployed Symantec Advanced Threat Protection (ATP), User Behavior Analytics (UBS), Symantec Endpoint Detection and Response (EDR) and Vectra.





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6) Use Modern Technology to Help Employees Perform Effectively

- Upgrade auditorium and hearing room audio/visual systems.
 - Entered into a contract to assess needs and provide recommendations to modernize these systems.
- Upgrade equipment in conference rooms.
 - Deploying modern Cisco WebEx video teleconferencing systems.
- Website redesign.
 - Entered into a contract to redesign the public website by October 2020 and migrate the site to a cloud-based hosting solution.
- Improved IT support.
 - Entered into a contract to develop an IT governance structure that will identify IT needs, priorities, requirements, project portfolio, change management, and resource needs.
 - Growing a culture of “excellent customer service”.





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7) Business Continuity Plans for Operational Interruptions, Emergencies

- The Operational Recovery Plan will be updated in 2020.
- IT has updated the Technical Recovery Plan with new templates provided by CDT.





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8) Timely and Effective Contracting for Outside Services

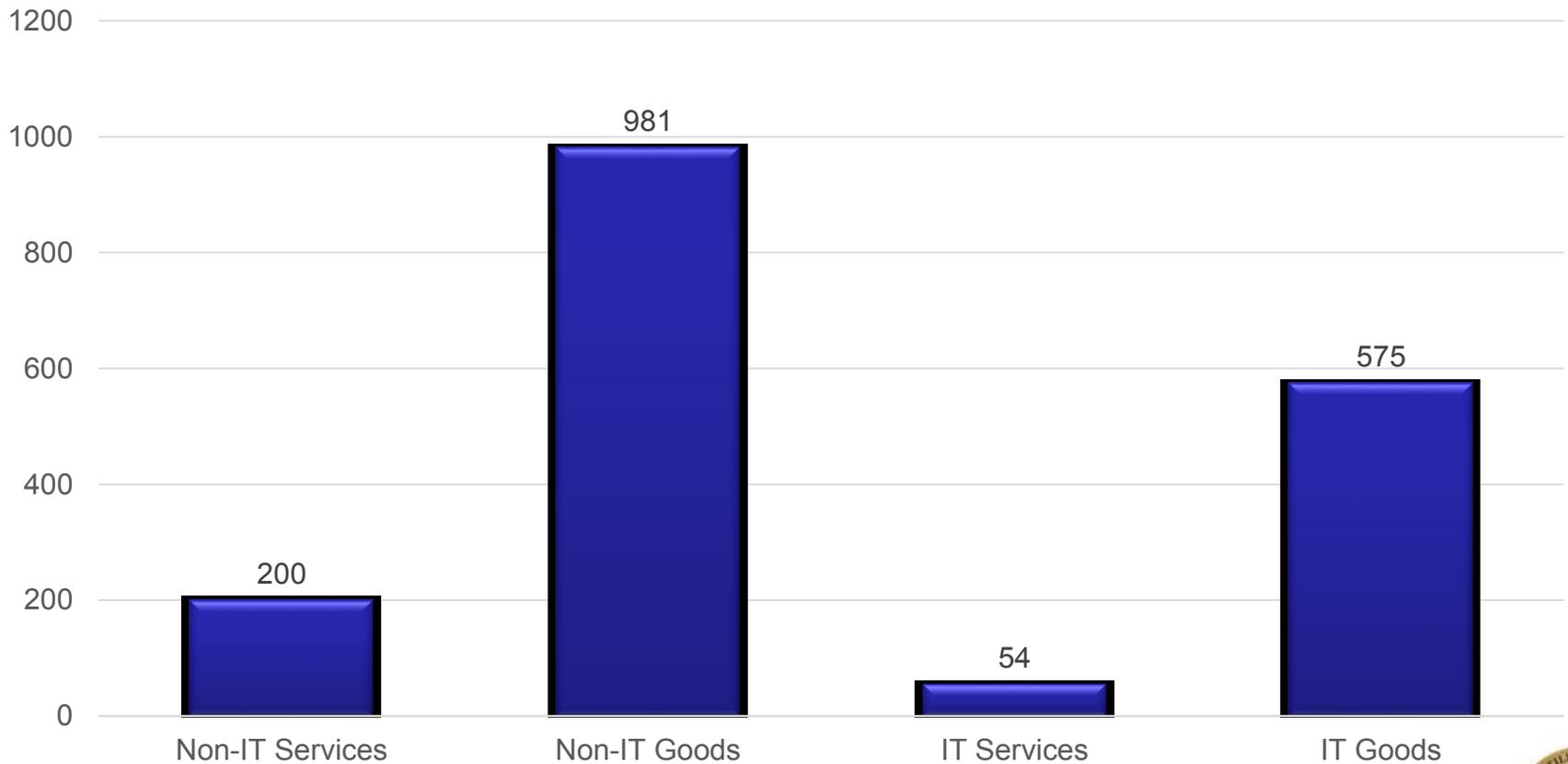
- Promote a customer service culture by:
 - Improving communication between IT, ASD and Divisions on contract request status, next steps, priorities, and roles/responsibilities.
 - Minimize/eliminate the risk of future adverse audit findings.
 - Make contract processing and prioritization system transparent to internal stakeholders.





Contracts and Procurement Update

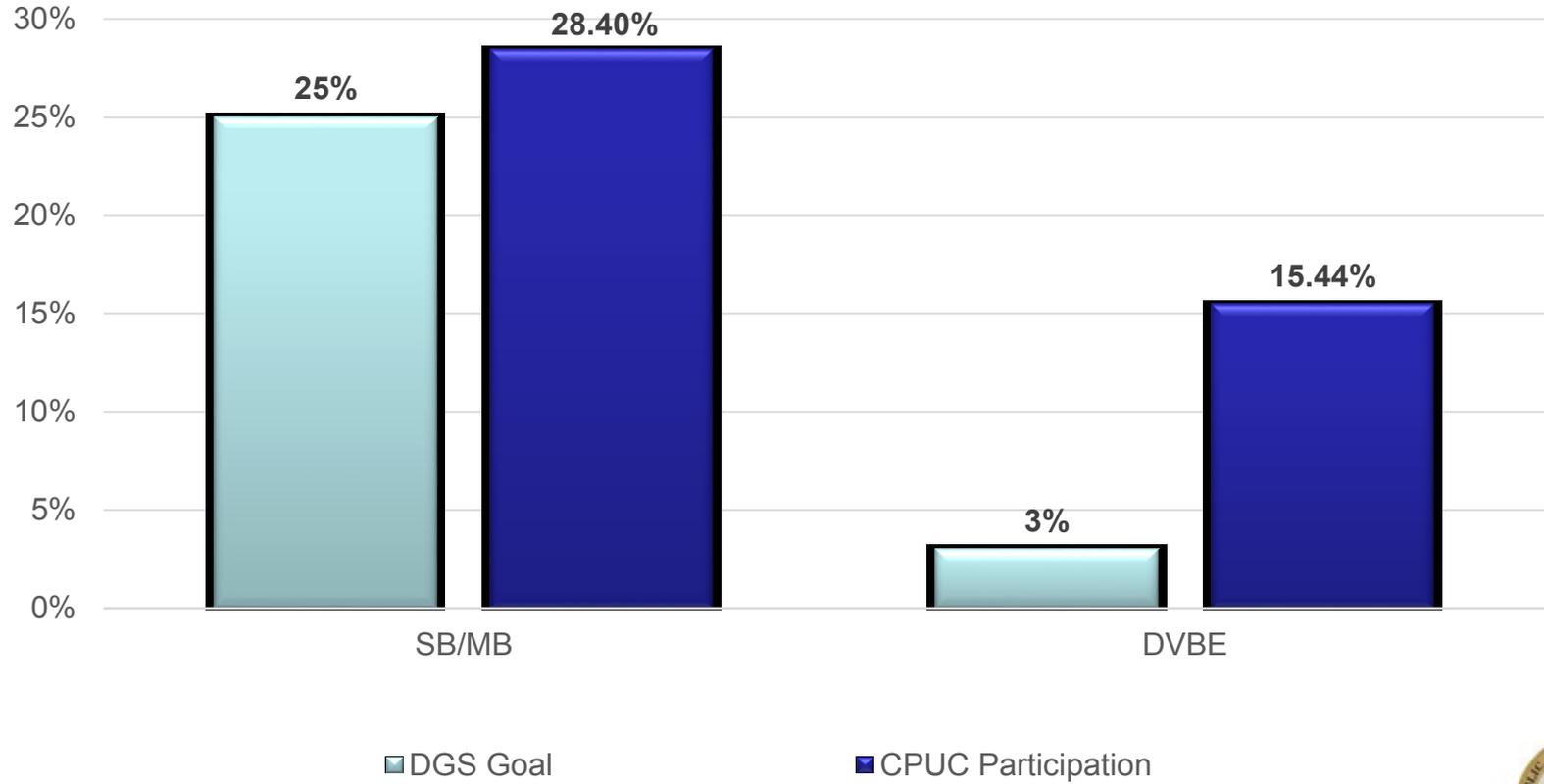
FY 2018/19 Acquisitions Completed





Contracts and Procurement Update

DGS Consolidated Annual Report for FY 18/19 SB/DVBE Participation Results





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9) Prudent Steward of Public Funds

- Elements in place to achieve prudent stewardship:
 - Promote a culture of mindfulness through the onboarding program and policies and procedures for all new employees.
 - Advocate the CPUC Budget needs to Department of Finance, Legislative Analysts, and Legislators.
 - Safeguard the physical and monetary assets of the CPUC through internal control.
 - Provide a safe, secure and productive work environment with adequate space, equipment, supplies, and support.
 - Communicate regularly with Divisions and BCOs regarding changes in rules and requirements of control agencies, DOF, DGS, SCO.
- Elements to be implemented in 2020
 - Provide ongoing contract management training.
 - Monitor and report monthly expenditures to ensure Division spending is within the allotted budget.

The next five slides provide a summary of funds managed by the CPUC. Included are budget and fund balances for all funds, both overseen by CPUC and for the CPUC's operations. Feel free to contact me with questions.





Prudent Steward of Public Funds

Assessing prudent reserves. A 25-percent reserve is a reasonable standard for most funds.

Fund / Program	Authorized Expenditures		Ending Fund Balance (Estimated)		Reserves as % of Fund Balance	
	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
0461-PUCTRA	20,830	24,279	42,104	30,047	202%	123%
0462-PUCURA	141,869	173,698	61,587	35,338	43%	20%
0464-High Cost Fund A	49,256	49,228	17,146	0	35%	0%
0470-High Cost Fund B	22,333	22,300	81,566	69,690	365%	312%
0471-Universal Lifeline Tel Svcs	384,876	453,731	486,961	463,,264	125%	102%
0483-Deaf & Disabled Tel. Pg.	64,403	64,495	25,118	3,387	39%	5%
0493-CA Teleconnect	128,041	100,872	66,246	29,267	52%	29%
3015-Gas Consumption Surcharge	562,057	562,057	72,637	126,021	12%	22%
3089-Public Advocates Ofc	35,421	43,000	7,095	5,019	20%	11%
3141-CA Advanced Svcs Fund	81,023	81,172	61,233	35,833	76%	44%





Prudent Stewart of Public Funds

State Operations FY 2018-19

Fund / Program	Budget	Expenditure	Remaining	% Remain
Transportation Programs				
0042 – Rail Crossing Safety Enforcement	6,692,000	6,046,000	646,000	10%
0046 – Rail Transit Safety Enforcement	8,224,000	7,050,000	1,174,000	14%
0461 – Regulation of Transportation (Freight Rail and Passenger Carriers)	20,830,000	19,661,000	1,169,000	6%
PUC Utilities Reimbursements Acct				
0462 – Energy	99,680,000	94,111,000	5,569,000	6%
0462 – Water/Sewer	13,503,000	10,177,000	3,326,000	25%
0462 - Telecommunications	28,686,000	25,404,000	3,282,000	11%
0462-Reimbursements (Energy)	57,844,000	33,915,000	23,929,000	41%
Federal Funds				
Energy (Pipeline and Hazardous Materials Safety Administration)	5,803,000	4,424,000	1,379,000	24%
Rail Transit Safety	3,843,000	3,843,000	-	0%
Public Purpose Programs				
0464 – High Cost Fund A	1,377,000	919,000	458,000	33%
0470 – High Cost Fund B	1,568,000	283,000	1,285,000	82%
0471 – California Lifeline	30,855,000	27,482,000	3,373,000	11%
0483 – Deaf & Disabled	64,285,000	60,798,000	3,487,000	5%
0493 – California Teleconnect	3,123,000	1,739,000	1,384,000	44%
3141 – California Advanced Services Fund	8,479,000	3,820,000	4,659,000	55%





Prudent Steward of Public Funds

State Operations Expenditures by Division FY 2018-19

Division	Budget	Expenditure	Remaining	% Remain
Administrative Services	53,475,000	46,339,000	7,136,000	13%
Administrative Law Judge	14,185,000	14,185,000	0	0%
Communications	111,740,000	98,338,000	13,402,000	12%
CPED	13,654,000	13,654,000	0	0%
Energy	24,851,000	23,114,000	1,737,000	7%
Executive	21,450,000	18,090,000	3,360,000	16%
Legal	22,850,000	21,844,000	1,006,000	4%
Office of Safety Advocate	1,310,000	1,171,000	139,000	11%
Public Advocate Office	26,700,000	26,420,000	280,000	1%
Policy and Planning	1,296,000	1,154,000	142,000	11%
Safety and Enforcement	33,325,000	32,746,000	579,000	2%
Water	3,200,000	2,645,000	555,000	17%
Total	328,036,000	299,700,000	28,336,000	9%





Prudent Steward of Public Funds

Reimbursable Expenditures by Division FY 2018-19

Division	Budget	Expenditure	Remaining	% Remain
Administrative Law Judge	-	153,000	(153,000)	0%
Energy	47,709,000	29,342,000	18,367,000	38%
Executive	1,750,000	2,733,000	(983,000)	0%
Legal	-	333,000	(333,000)	0%
Public Advocate Office	3,000,000	547,000	2,453,000	82%
Safety and Enforcement	8,385,000	807,000	7,578,000	90%
Total	60,844,000	33,915,000	26,929,000	44%

* This provides a snapshot of multi-year projects funding.





Prudent Steward of Public Funds

Local Assistance Programs by Fund Source FY 2018-19

Fund / Program	Budget	Expenditure	Remaining	% Remain
Public Purpose Programs				
0464 – High Cost Fund A	47,913,000	26,493,000	21,420,000	45%
0470 – High Cost Fund B	20,777,000	8,390,000	12,387,000	60%
0471 – CA Lifeline	361,424,000	229,919,000	129,266,000	36%
0483 – Deaf and Disabled	210,000	84,000	126,000	60%
0493 – California Teleconnect	125,000,000	24,969,000	100,031,000	80%
3141 – CA Advanced Services	72,611,000	8,681,000	63,930,000	88%
Gas Consumption Surcharge Fund – Continuous Non-Budget Act State Ops - LA				
3015		626,028,000		

0493 – CA Teleconnect claim projections are \$105,000,000, carriers have 1 year and 45 days to submit claims.
 3141 – CA Advanced Services Fund did not award the full amount budgeted for awards, will award in FY19.
 3015 – Gas Consumption Surcharge Fund is continuously appropriated.





Compliance with Strategic Directive-08

- CPUC staff believe the organization is working towards compliance with SD-08.





Questions?



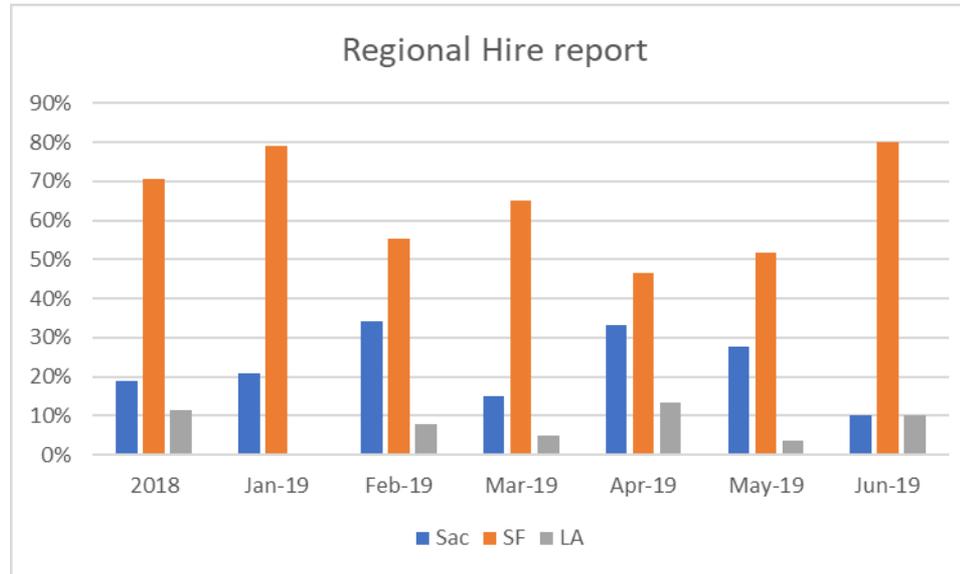


Appendix





Regional Hire Report



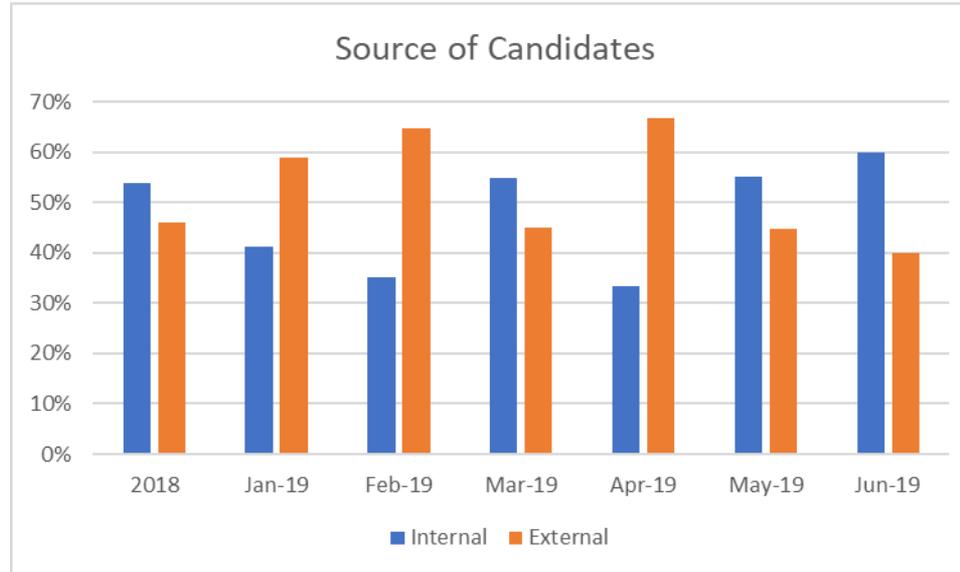
Hires in San Francisco remain higher than other locations. In the month of June there was 28% increase of hires in San Francisco and a decline of 18% in Sacramento from previous month.

	2018	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19
Sac	19%	21%	34%	15%	33%	28%	10%
SF	70%	79%	55%	65%	47%	52%	80%
LA	11%	0%	8%	5%	13%	3%	10%





Candidate Source



Internal hires are at a two-year high of 60%, 40% with the other coming from other departments or new to state service.





Training

CPUC Onboarding Program

- Introduction to the CPUC
- CPUC Core Values
- CPUC Safety Culture
- Introduction to Utility Regulation
- Introduction to Decision-Making Process
- Compliance and Controls
- California's Legislative and Budget Process





FI\$Cal Accomplishments and Challenges

Accomplishments:

- Go Live on July 9, 2018 had no impact on CPUC operations
- CPUC closed the Fiscal Year on June 30 with no impact to supplier payments
- CPUC has successfully closed Accounting Periods for July – May

Challenges:

- Reconciliations are backlogged and overtime will be required to meet the yearend closing deadline
- CPUC has a year-end closing target of August 20, 2019.

